

Who's Buying Houses in America...





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HOME PRICES STILL RISING

While there were some soft spots in highly visible places, U.S. home prices in general continued their steady climb in 1989.

Chicago Title's 14th annual survey of recent home buyers reveals that the median home price rose 6.4 percent nationally, from \$121,910 in 1988 to \$129,800 last year. At the same time, the average home price in 1989 was rising from \$145,500 to \$159,200, a gain of 9.4 percent.

The median is a midpoint with an equal number of homes selling for more and less. Historically, it has reflected a price that most closely parallels what most people pay for a home.

The average price is calculated by dividing total home sales dollar volume by the total number of sales. When the average price is rising faster than the median price, it means that prices are being skewed toward the high end of the buying spectrum.

After briefly contracting during 1988, high-end home sales gained fresh momentum last year despite pockets of housing deflation in some areas of the country.

The fact that significant price corrections are now under way in some over-extended housing markets, i.e., those that have experienced hyper-inflation in recent years, should not surprise anyone. What may surprise is that price gains in other areas of the country have more than offset these declines.

In most major housing markets today it's possible to isolate pockets of hyper inflation and also subsections of the same markets where prices are inflating marginally, if at all. Based on Chicago Title's survey data, the actual percentage of inflation in the nation's more active housing markets is not as dramatic as reported by some sources. But the trend to higher home costs is clearly documented.

As the 1980s drew to a close, there were more than the usual number of dire predictions regarding housing affordability and the declining prospects for housing as an investment. In fact, rising home prices continue to reflect a widening economic gap between those who buy houses and those who do not. And, despite the rising number of two-income families in the market today, income gains have lagged behind home price increases by about half a percentage point every year for the past 13 years.

But if housing was in fact losing its appeal as an investment, this was not apparent in the actions of those randomly selected buyers who participated in the Chicago Title survey. If there were excessive concerns about real estate values, prices would not have been skewed toward the luxury end of the market, as they were last year. And first-time buyers would not have played an expanded role in the marketplace for the second consecutive year, as they did in 1989.

Last year, first-time buyers accounted for 40.2 percent of all homes purchased. A relatively high 15.3 percent of all first-time buyers were never-married singles, and a large number of these were affluent individuals who apparently were enticed by the pricing lull observed in some of the nation's higher-priced markets.

Chicago Title's annual study is structured to create statistically valid samples for 18 representative urban housing markets in four U.S. census regions. Study markets include New York City, Boston, Philadelphia and Washington, D.C., in the Northeast corridor; Atlanta, Orlando, Fla., Dallas-Fort Worth and Memphis, Tenn., in the South; Chicago, Cleveland, Detroit and Minneapolis in the Midwest; and Los Angeles, Orange County, Calif., San Francisco, Seattle-Tacoma, Denver and Phoenix, Ariz., in the West.

The study dramatically illustrates that buyers in some areas of the country face a totally different set of economic realities than those in others. For example, in San Francisco, the nation's most expensive metropolitan housing market last year, the median home price of \$199,900 was more than twice as high as the median price in 10 of the 18 cities included in the study.

Last year, there was a spread of \$717 between the \$1,375 average monthly mortgage payment paid by buyers in Orange County and the \$658 average payment in Cleveland. The average monthly mortgage payment was 39.7 percent of income in New York City at one extreme and 25.6 percent in Memphis at the other.

Median family income ranged from \$71,300 in Washington, D.C., \$70,300 in San Francisco and \$70,000 in Orange County at the high end, to low-end figures of \$43,200 in Cleveland, \$43,400 in Phoenix and \$43,500 in Orlando.

There also were wide discrepancies in demographic characteristics among the various markets included in the study. For example, on the high side, married couples were 85.7 percent of the market in New York City, 85.1 percent in Dallas and 81.5 percent in Detroit, and, on the low side, 62.7 percent in Orange County, 71.4 percent in Denver and 72 percent in both Los Angeles and San Francisco.

The percentage of two-income families ranged between 91.2 percent of all couples buying houses in Phoenix to 60.4 percent in Orlando. Nationally, 79.3 percent of all couples buying homes in 1989 were two-income families.

Based on data corroborated by other sources, the percentage of two-income families is significantly higher among those buying homes in metropolitan areas than among the population as a whole.

In 1989, the median home price in the New York City metropolitan area dropped 13.7 percent, the biggest drop in the nation. The median price was down 4.7 percent in Phoenix, 4.5 percent in Washington, D.C., 2.2 percent in Boston, 1.3 percent in Cleveland and 1.1 percent in Orange County.

However, some of these markets were exceptionally active at the luxury end of the buying spectrum. For example, the average home price in Washington, D.C., soared 19.5 percent for the second largest gain in the nation last year after Seattle. The average price gain was 17.5 percent in Phoenix and 6.2 percent in Orange County.

Generally speaking, the family that bought a house

in the New York or Boston area a couple of years ago may not like the results if they were forced to sell it today. However, sellers in markets like Seattle-Tacoma probably wouldn't feel that way. There the median home price rose 15.5 percent and the average price was up 37.2 percent in 1989.

Last year, 84.8 percent of all buyers purchased single-family homes. The number of buyers purchasing new homes slipped from 26.2 percent to 21.8 percent.

Conventional financing was used by 61.3 percent of buyers compared with 53.1 percent in 1988.

Recent Home Buyers in major metropolitan markets

<i>Characteristics</i>	<i>1989</i>	<i>1988</i>	<i>1987</i>	<i>(Base Year) 1976</i>
Median price of home purchased	\$129,800	\$121,910	\$99,260	\$43,340
First time buyers	105,200	97,100	84,730	37,670
Repeat buyers	144,700	141,400	115,430	50,090
Average price of home purchased	\$159,200	\$145,500	\$133,410	N A
First time buyers	133,700	119,900	106,450	N A
Repeat buyers	176,300	161,200	149,390	N A
Average monthly payment	\$1,054	\$1,008	\$939	\$329
First time buyers	969	929	841	313
Repeat buyers	1,118	1,060	998	342
When household income is:				
less than \$30,000	672	690	704	N A
\$30,000-\$40,000	746	761	713	N A
\$41,000-\$50,000	905	893	840	N A
\$51,000-\$60,000	987	1,040	891	N A
\$61,000 or more	1,373	1,305	1,362	N A
Average monthly payment as % of income	31.8%	32.8%	29.3%	24.0%
First time buyers	34.1	34.8	31.8	23.0
Repeat buyers	30.0	31.4	27.6	24.9
Buying for the first time	40.2%	37.8%	36.8%	44.8%
Previously owned a home	59.8	62.2	63.2	55.2
Average age of First-time buyers	29.6	30.3	29.6	28.1
Average age of Repeat buyers	39.4	38.9	39.1	35.9
Average number of houses looked at	13.9	14.2	11.6	12.3
Average number of months buyers looked before deciding	4.7	4.7	4.5	4.0
First time buyers	5.2	5.0	4.6	4.3
Repeat buyers	4.3	4.4	4.4	3.8
Bought new houses	21.8%	26.2%	23.8%	15.1%
Bought used houses	78.2	73.8	76.2	84.9
Bought single family homes	84.8%	83.3%	87.3%	88.8%
Bought multi-family homes	1.5	3.8	0.4	N A
Bought condominiums	13.5	12.4	12.5	11.2
Bought co-ops	0.2	0.5	0.2	N A
Married	76.1%	77.0%	81.7%	N A
Widowed	1.8	2.0	1.7	N A
Divorced/Separated	6.8	8.4	6.9	N A
Single	15.3	12.6	9.7	N A



<i>Characteristics</i>	<i>1989</i>	<i>1988</i>	<i>1987</i>	<i>(Base Year) 1976</i>
Two income families	79.3%	77.7%	78.3%	N/A
First time buyers	86.8	85.5	86.4	N/A
Repeat buyers	74.8	73.3	73.6	N/A
Down payment as % of sales price				
Average down payment	24.4%	24.0%	27.2%	25.2%
First time buyers	15.8	14.6	20.4	18.0
Repeat buyers	30.3	29.7	31.3	30.8
Down payment of:				
10% or less	40.6%	38.9%	41.5%	26.9%
20% or less	65.9	62.7	64.4	60.2
More than 50%	11.6	10.8	15.7	13.8
Type of mortgage financing				
Conventional fixed rate	61.3%	53.1%	67.6%	N/A
Adjustable or variable rate	33.1	41.8	19.8	N/A
Seller financed or contract loan	1.4	1.6	1.2	N/A
Other	4.2	3.5	11.4	N/A
Length of mortgage (years)				
First time buyers	28.4	28.5	28.4	N/A
Repeat buyers	27.9	27.8	28.4	N/A
Average down payment breakdown (% of dollars)				
Of First time buyers				
Own savings and investments	78.5%	77.1%	81.9%	80.1%
Lending institutions	3.5	2.5	6.1	4.5
Relatives	8.8	11.6	9.2	10.8
Others	9.2	8.8	2.8	4.0
Of Repeat buyers				
Previous home sale	42.3	51.9	57.1	N/A
Savings and investments	47.5	38.3	33.3	N/A
Lending institutions	3.5	1.6	5.2	N/A
Relatives	2.1	2.6	1.7	N/A
Others	4.6	5.6	2.7	N/A
Average time to save down payment (years)				
First-time buyers	2.9	2.4	2.4	2.4
Average family size	2.8	2.9	3.0	N/A
First-time buyers	2.4	2.7	2.9	N/A
Repeat buyers	3.1	3.1	3.0	N/A
Median household income	\$58,700	\$55,200	\$51,500	\$20,840
First time buyers	50,700	48,300	43,800	20,480
Repeat buyers	64,400	59,500	56,300	21,080

N/A—Not Available



Census Regions 1989

Characteristics	Midwest		West		South		Northeast	
	1989	1988	1989	1988	1989	1988	1989	1988
Median price of home purchased	\$ 99,200	\$ 93,600	\$149,900	\$141,400	\$ 92,000	\$ 88,400	\$156,500	\$151,300
First time buyers	84,600	78,000	116,800	106,400	74,200	74,900	141,900	127,500
Repeat buyers	107,800	109,200	170,800	158,700	109,300	105,300	177,700	173,400
Average price of home purchased	\$124,600	\$113,600	\$183,700	\$162,000	\$122,800	\$104,700	\$177,000	\$171,600
First time buyers	103,300	86,300	153,600	130,200	99,400	77,200	147,500	147,700
Repeat buyers	137,100	127,600	200,200	178,100	136,500	122,100	205,300	191,500
Average monthly payment	\$ 841	\$ 807	\$1,177	\$1,094	\$ 879	\$ 835	\$1,171	\$1,152
First time buyers	817	715	1,068	977	707	706	1,080	1,101
Repeat buyers	859	859	1,242	1,156	989	921	1,266	1,198
When household income is:								
less than \$30,000	569	504	757	729	598	563	819	916
\$30,000-\$40,000	654	638	831	782	691	646	899	872
\$41,000-\$50,000	854	751	900	945	786	749	1,017	1,063
\$51,000-\$60,000	816	839	1,118	1,076	937	945	1,156	1,186
\$61,000 or more	1,065	1,070	1,535	1,377	1,160	1,154	1,457	1,433
Average monthly payment as % of income	29.5%	28.7%	32.1%	33.8%	28.8%	28.8%	34.5%	37.0%
First time buyers	29.9	32.0	35.6	34.0	29.1	31.3	37.3	39.1
Repeat buyers	29.1	26.7	29.9	33.7	28.7	27.0	31.4	35.2
Buying for the first time	36.8%	33.7%	35.4%	33.6%	36.9%	38.0%	46.4%	45.5%
Previously owned a home	63.2	66.3	64.6	66.4	63.1	62.0	53.6	54.5
Average age of First time buyers	28.4	28.9	29.8	30.3	30.2	29.2	30.4	31.6
Average age of Repeat buyers	39.1	38.7	41.6	38.4	38.8	42.2	38.0	38.6
Average number of homes looked at	12.7	14.1	13.4	14.9	14.1	16.1	15.3	12.8
Bought new homes	18.1%	22.7%	21.1%	25.7%	38.7%	39.0%	17.6%	20.4%
Bought used homes	81.9	77.3	78.9	74.3	61.3	61.0	82.4	79.6
Bought single family homes	88.9%	87.0%	80.5%	82.3%	93.6%	91.8%	77.7%	75.5%
Bought multi-family homes	1.5	1.7	1.0	1.0	0.8	0.7	5.4	9.6
Bought condominiums	9.6	11.3	18.5	16.5	5.6	7.5	16.1	13.4
Bought co-ops	N/A	N/A	N/A	0.2	N/A	N/A	0.8	1.5
Married	79.8%	78.8%	72.0%	74.1%	81.4%	82.5%	75.3%	75.7%
Widowed	2.7	2.9	1.4	2.9	0.6	0.9	2.0	0.7
Divorced/Separated	7.0	7.8	8.0	8.7	8.1	8.1	4.5	8.9
Single	10.5	10.6	18.6	14.3	9.9	8.5	18.2	14.7

Regional home buying patterns again varied widely in 1989. For example, at \$156,500, the median home price for buyers in the Northeast was \$64,500 higher than the \$92,000 median price in the South. Although there were soft spots in some individual markets, the median and average home price rose in all four census regions.

<i>Characteristics</i>	<i>Midwest</i>		<i>West</i>		<i>South</i>		<i>Northeast</i>	
	<i>1989</i>	<i>1988</i>	<i>1989</i>	<i>1988</i>	<i>1989</i>	<i>1988</i>	<i>1989</i>	<i>1988</i>
Two-income families	77.3%	72.8%	79.5%	79.9%	76.7%	74.6%	81.6%	80.9%
First time buyers	87.7	79.4	84.6	83.1	88.8	88.1	87.2	89.5
Repeat buyers	71.4	69.7	77.2	78.4	70.6	67.0	76.6	74.2
Down payment as % of sales price	25.1%	27.3%	24.2%	21.0%	17.2%	18.4%	27.2%	27.0%
First time buyers	13.1	12.9	14.4	12.1	8.9	9.4	21.0	19.1
Repeat buyers	32.5	34.6	29.6	25.4	22.3	23.6	33.2	33.7
Type of mortgage financing								
Conventional fixed rate	73.1%	61.2%	54.0%	42.9%	73.1%	61.2%	54.3%	53.7%
Adjustable or variable rate	22.0	35.1	40.4	51.0	18.2	29.9	41.2	42.6
Seller financed or contract loan	1.0	1.2	2.3	1.7	2.3	2.7	0.6	1.1
Other	3.9	2.5	3.3	4.4	6.5	6.2	3.9	2.6
Average down payment breakdown (% of dollars)								
Of First time buyers								
Own savings and investments	78.9%	82.8%	77.6%	79.7%	79.0%	71.0%	81.1%	78.2%
Lending institutions	3.5	2.7	4.1	1.3	1.9	1.4	3.6	3.8
Relatives	7.4	6.1	11.2	16.2	8.4	10.2	8.3	11.9
Others	10.2	8.4	7.1	8.8	10.7	17.4	7.0	6.1
Of Repeat buyers								
Previous home sale	45.9%	54.0%	37.0%	51.2%	37.7%	42.1%	48.8%	56.1%
Own savings and investments	42.6	42.1	53.6	36.0	49.5	47.8	42.5	32.5
Lending institutions	4.6	1.4	3.0	1.3	2.8	0.6	3.5	2.9
Relatives	0.9	1.4	1.9	4.3	2.8	1.3	3.1	2.7
Others	6.0	1.1	4.5	7.2	7.2	8.2	2.1	5.8
Average time to save down payment (years)								
First time buyers	2.3	1.9	2.7	1.8	1.9	2.1	3.8	3.7
Average family size	2.9	2.9	2.7	2.9	2.9	2.9	2.8	3.0
First time buyers	2.4	2.5	2.4	2.7	2.5	2.7	2.5	2.8
Repeat buyers	3.2	3.2	2.9	3.0	3.1	3.0	3.2	3.2
Median household income	\$55,400	\$52,900	\$62,300	\$58,900	\$54,600	\$50,500	\$62,000	\$55,300
First time buyers	48,200	43,400	54,800	52,800	41,500	40,700	56,600	50,600
Repeat buyers	59,900	58,000	66,400	62,100	62,900	56,100	67,400	59,700

Northeast Census Region 1989

Characteristics	Boston		New York		Philadelphia		Washington	
	1989	1988	1989	1988	1989	1988	1989	1988
Median price of home purchased	\$161,400	\$165,100	\$166,200	\$192,600	\$118,700	\$110,000	\$133,300	\$139,600
First time buyers	135,900	141,600	158,000	181,200	91,600	88,200	114,500	109,700
Repeat buyers	209,100	192,400	185,400	215,600	142,000	139,900	187,500	164,000
Average price of home purchased	\$182,900	\$184,700	\$193,600	\$201,800	\$135,400	\$130,700	\$186,600	\$156,100
First time buyers	136,400	145,100	168,000	184,800	90,100	93,800	143,700	114,300
Repeat buyers	225,900	214,600	224,800	225,800	163,900	158,800	229,500	171,700
Average monthly payment	\$1,197	\$1,144	\$1,350	\$1,331	\$ 897	\$ 822	\$1,167	\$1,175
First time buyers	1,165	1,051	1,221	1,310	750	768	999	1,025
Repeat buyers	1,233	1,218	1,520	1,363	1,012	975	1,343	1,236
When household income is:								
less than \$30,000	840	779	793	1,033	612	576	672	713
\$30,000-\$40,000	898	796	1,050	1,110	608	733	693	844
\$41,000-\$50,000	1,053	1,090	1,268	1,233	738	746	919	971
\$51,000-\$60,000	1,061	1,170	1,332	1,299	968	952	1,316	1,248
\$61,000 or more	1,352	1,355	1,542	1,604	1,295	1,332	1,518	1,361
Average monthly payment as % of income	33.0%	34.3%	39.7%	44.5%	33.1%	32.0%	32.2%	34.5%
First time buyers	33.5	34.9	40.7	46.7	35.7	32.3	33.4	36.1
Repeat buyers	32.4	33.6	38.3	41.5	31.3	31.8	31.0	33.7
Buying for the first time	48.8%	42.5%	53.8%	59.0%	37.8%	42.7%	49.4%	27.2%
Previously owned a home	51.2	57.5	46.2	41.0	62.2	57.3	50.6	72.8
Average age of First-time buyers	29.5	31.9	32.7	32.6	29.5	29.9	31.7	30.2
Average age of Repeat buyers	38.2	36.3	35.3	38.5	38.8	38.9	38.1	41.3
Average number of houses looked at	15.7	12.1	17.8	13.9	13.7	10.9	15.1	14.1
Bought new homes	14.8%	15.0%	13.2%	10.0%	27.2%	23.6%	34.5%	40.2%
Bought used homes	85.2	85.0	86.8	90.0	72.8	76.4	65.5	59.8
Bought single family homes	75.0%	72.5%	65.6%	63.0%	91.2%	87.6%	78.7%	85.8%
Bought multi family homes	2.8	7.5	19.7	20.0	1.7	2.2	2.2	2.2
Bought condominiums	23.8	18.8	13.2	15.0	6.6	8.0	19.1	12.0
Bought co-ops	1.4	1.2	1.5	2.0	0.5	2.2	N/A	N/A
Married	78.5%	68.7%	85.7%	77.0%	81.1%	77.5%	75.4%	77.8%
Widowed	1.3	1.3	1.7	2.0	2.2	1.1	3.4	1.1
Divorced/Separated	6.3	10.0	5.9	5.0	5.6	10.1	6.8	10.0
Single	13.9	20.0	6.7	16.0	11.1	11.3	14.4	11.1

N/A—Not available

While home prices were soft in New York City and Boston, they were rising in Philadelphia. And the average home price in Washington, D.C., soared as buyers at the luxury end of the market continued to dominate sales activity in the nation's capital.

<i>Characteristics</i>	<i>Boston</i>		<i>New York</i>		<i>Philadelphia</i>		<i>Washington</i>	
	<i>1989</i>	<i>1988</i>	<i>1989</i>	<i>1988</i>	<i>1989</i>	<i>1988</i>	<i>1989</i>	<i>1988</i>
Two-income families	85.5%	76.4%	80.0%	83.1%	79.5%	76.8%	88.2%	85.7%
First time buyers	87.1	83.3	91.8	87.2	97.6	92.9	93.3	94.5
Repeat buyers	83.9	73.0	65.9	76.7	71.4	65.9	84.2	79.1
Down payment as % of sales price	23.8%	31.5%	26.7%	28.4%	32.1%	27.1%	16.4%	19.9%
First time buyers	15.9	18.0	21.2	22.3	22.8	18.8	15.5	12.4
Repeat buyers	31.3	42.0	33.1	37.0	38.0	33.1	17.4	24.2
Type of mortgage financing								
Conventional fixed rate	61.3%	38.5%	47.0%	56.8%	59.8%	54.7%	52.8%	61.9%
Adjustable or variable rate	35.0	59.0	52.0	38.9	36.6	44.2	39.3	31.0
Seller financed or contract loan	1.3	2.5	1.0	3.2	3.6	1.1	1.1	7.1
Other	2.4	N A	N A	1.1	N A	N A	6.7	N A
Average down payment breakdown (% of dollars)								
Of First time buyers								
Own savings and investments	76.4%	91.6%	82.5%	76.7%	82.3%	72.8%	80.5%	74.7%
Lending institutions	4.1	1.9	3.5	6.6	1.4	1.6	3.3	2.0
Relatives	11.6	6.5	8.3	13.5	6.5	12.9	10.7	15.7
Others	9.9	N A	5.7	3.2	9.8	14.5	5.5	7.6
Of Repeat buyers								
Previous home sale	49.6%	62.3%	35.3%	36.6%	52.4%	66.2%	52.8%	61.5%
Own savings and investments	44.1	23.1	52.8	47.1	39.9	25.8	37.9	31.2
Lending institutions	5.0	2.8	3.2	4.5	2.8	1.4	2.2	3.1
Relatives	1.0	1.8	7.1	6.3	0.7	1.0	6.4	1.2
Others	0.3	10.0	1.6	5.5	4.2	5.6	0.7	3.0
Average time to save down payment (years)								
First-time buyers	3.3	4.1	4.7	4.7	3.8	2.2	3.3	2.1
Average family size	2.8	2.8	3.2	3.3	2.8	3.0	2.3	2.7
First-time buyers	2.7	2.2	2.9	3.2	2.1	2.6	2.2	2.3
Repeat buyers	3.0	3.3	3.6	3.4	3.3	3.3	2.3	2.9
Median household income	\$59,900	\$58,200	\$63,200	\$54,300	\$48,700	\$47,700	\$71,300	\$64,100
First-time buyers	56,200	51,900	61,900	52,100	39,700	42,100	65,400	59,000
Repeat buyers	64,300	63,600	72,500	57,700	54,300	52,200	77,000	66,200

N/A—Not available

Midwest Census Region 1989

Characteristics	Chicago		Cleveland		Detroit		Minneapolis	
	1989	1988	1989	1988	1989	1988	1989	1988
Median price of home purchased	\$125,100	\$117,600	\$ 75,800	\$ 76,800	\$ 92,900	\$ 88,700	\$ 92,800	\$ 85,000
First-time buyers	98,500	86,600	60,900	62,800	79,900	81,600	87,200	76,400
Repeat buyers	137,400	136,400	86,600	96,200	99,900	91,200	97,300	97,400
Average price of home purchased	\$138,200	\$131,000	\$ 90,800	\$ 90,900	\$113,300	\$106,800	\$107,200	\$ 97,100
First-time buyers	114,700	98,900	69,200	70,900	88,600	83,700	89,800	76,100
Repeat buyers	149,100	147,300	106,400	108,300	126,600	113,100	120,900	115,800
Average monthly payment	\$ 920	\$ 885	\$658	\$ 669	\$834	\$799	\$ 815	\$ 734
First-time buyers	917	778	585	597	861	774	771	673
Repeat buyers	932	960	711	730	828	806	860	794
When household income is:								
less than \$30,000	600	531	476	429	654	476	564	546
\$30,000-\$40,000	685	735	566	534	625	555	704	598
\$41,000-\$50,000	900	824	711	611	701	692	950	757
\$51,000-\$60,000	907	855	687	854	837	875	906	769
\$61,000 or more	1,177	1,177	898	1,039	981	953	1,071	1,181
Average monthly payment as % of income	29.6%	28.3%	28.0%	28.0%	27.7%	28.6%	34.0%	30.7%
First-time buyers	31.4	33.1	28.8	30.8	27.6	27.3	34.9	33.7
Repeat buyers	28.6	25.5	27.4	24.9	27.8	29.0	33.0	26.7
Buying for the first time	34.4%	33.7%	41.4%	45.1%	34.6%	21.3%	43.7%	47.1%
Previously owned a home	65.6	66.3	58.6	54.9	65.4	78.7	56.3	52.9
Average age of First-time buyers	28.8	29.5	28.3	29.1	28.2	30.5	28.2	27.2
Average age of Repeat buyers	38.8	38.7	42.2	38.3	39.7	39.2	37.7	38.2
Average number of houses looked at	13.4	12.4	14.8	16.7	11.3	15.4	11.6	14.2
Bought new homes	18.9%	22.5%	11.6%	16.9%	18.5%	23.8%	22.5%	25.7%
Bought used homes	81.1	77.5	87.4	83.1	81.5	76.2	77.5	74.3
Bought single family homes	84.5%	84.3%	87.2%	87.3%	92.6%	90.0%	89.8%	88.6%
Bought multi-family homes	2.2	3.4	1.4	1.4	1.1	1.3	2.0	1.4
Bought condominiums	13.4	12.3	11.4	11.3	6.6	8.8	8.2	10.0
Bought co-ops	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Married	80.0%	79.8%	78.6%	76.0%	81.5%	82.5%	77.1%	71.4%
Widowed	3.3	3.4	1.4	2.8	3.7	3.8	3.2	4.3
Divorced/Separated	8.9	7.8	5.7	9.9	2.5	8.8	8.4	7.8
Single	7.8	9.0	14.3	11.3	12.3	5.0	11.3	16.5

N/A-Not available

Conservative Midwestern values continue to be reflected in home buying patterns throughout the region. Among the nation's leading metropolitan markets, Cleveland boasted the lowest selling prices and the lowest average monthly mortgage payment.

<i>Characteristics</i>	<i>Chicago</i>		<i>Cleveland</i>		<i>Detroit</i>		<i>Minneapolis</i>	
	<i>1989</i>	<i>1988</i>	<i>1989</i>	<i>1988</i>	<i>1989</i>	<i>1988</i>	<i>1989</i>	<i>1988</i>
Two income families	70.8%	71.8%	81.8%	66.7%	83.3%	74.2%	79.6%	78.0%
First time buyers	76.0	70.8	95.6	80.9	91.6	80.0	88.0	90.0
Repeat buyers	68.1	72.3	72.4	60.0	78.8	72.5	72.4	70.0
Down payment as % of sales price	25.1%	31.4%	27.9%	22.3%	28.2%	27.7%	17.7%	19.5%
First time buyers	13.2	15.6	14.3	16.0	14.6	12.0	9.8	10.4
Repeat buyers	31.4	39.4	38.4	27.6	35.6	31.9	24.5	27.8
Type of mortgage financing								
Conventional fixed rate	70.2%	64.2%	82.0%	58.6%	68.8%	53.2%	82.0%	70.7%
Adjustable or variable rate	25.0	32.1	11.5	37.1	29.9	45.5	7.5	22.4
Seller financed or contract loan	1.2	1.7	6.5	2.9	1.3	1.3	3.0	3.0
Other	3.6	2.0	N A	1.4	N A	N A	7.5	3.9
Average down payment breakdown (% of dollars)								
Of First time buyers								
Own savings and investments	82.7%	81.3%	74.8%	82.8%	84.2%	94.7%	69.5%	76.4%
Lending institutions	5.0	5.5	6.0	2.1	3.1	0.9	9.5	2.7
Relatives	4.3	5.2	8.0	8.8	7.7	3.2	15.1	10.9
Others	8.0	8.0	11.2	6.3	5.0	1.2	5.9	10.0
Of Repeat buyers								
Previous home sale	47.2%	57.6%	36.8%	48.3%	58.8%	50.0%	44.3%	56.3%
Own savings and investments	45.2	39.1	59.2	41.4	34.6	46.5	38.8	41.0
Lending institutions	0.9	1.0	1.3	3.8	3.9	1.5	6.9	2.0
Relatives	2.2	2.3	1.1	3.8	1.6	2.0	6.3	0.7
Others	4.5	N A	1.6	2.7	1.1	N A	3.7	N A
Average time to save down payment (years)								
First time buyers	2.6	2.4	3.4	2.3	1.7	1.8	2.0	1.4
Average family size	2.9	2.9	2.8	3.0	2.9	3.2	2.9	2.5
First time buyers	2.4	2.6	2.4	2.4	2.3	2.5	2.8	2.2
Repeat buyers	3.2	3.1	3.0	3.4	3.2	3.4	3.0	2.8
Median household income	\$55,600	\$54,700	\$43,200	\$45,300	\$61,700	\$55,700	\$48,200	\$44,800
First time buyers	49,400	42,200	36,400	37,300	55,000	46,200	41,600	39,400
Repeat buyers	59,400	61,000	49,400	52,600	66,700	58,400	53,400	50,200

N A—Not available

South Census Region 1989

Characteristics	Atlanta		Dallas/ Fort Worth		Memphis		Orlando	
	1989	1988	1989	1988	1989	1988	1989	1988
Median price of home purchased	\$ 96,200	\$ 95,000	\$ 91,800	\$ 87,400	\$ 92,000	\$ 77,900	\$ 83,600	\$ 83,000
First time buyers	75,000	78,500	78,100	74,900	71,600	61,600	68,000	66,200
Repeat buyers	107,700	111,300	109,500	104,600	108,300	110,700	98,700	89,300
Average price of home purchased	\$120,200	\$111,000	\$119,000	\$105,800	\$105,100	\$100,200	\$104,100	\$ 96,400
First time buyers	98,800	85,600	102,200	75,400	88,300	61,200	69,300	69,200
Repeat buyers	129,800	125,000	129,700	128,500	123,400	124,300	124,300	105,700
Average monthly payment	\$ 925	\$ 830	\$ 902	\$ 886	\$ 870	\$ 759	\$ 749	\$ 697
First time buyers	684	726	761	715	682	585	613	573
Repeat buyers	1,023	890	1,010	1,017	884	876	846	747
When household income is:								
less than \$30,000	558	634	726	609	523	525	442	458
\$30,000-\$40,000	703	689	716	632	653	599	710	648
\$41,000-\$50,000	846	701	824	801	780	738	670	698
\$51,000-\$60,000	934	1,153	975	894	808	850	957	800
\$61,000 or more	1,228	1,049	1,097	1,209	992	1,042	1,258	1,281
Average monthly payment as % of income	28.7%	29.2%	31.6%	28.6%	25.6%	26.3%	27.5%	28.4%
First time buyers	30.8	31.6	30.0	30.3	25.9	29.3	26.8	29.2
Repeat buyers	27.8	27.7	32.6	26.3	25.3	24.4	28.0	27.1
Buying for the first time	35.8%	35.6%	40.0%	41.6%	42.0%	38.2%	37.1%	34.3%
Previously owned a home	64.2	64.4	60.0	58.4	58.0	61.8	62.9	65.7
Average age of First time buyers	30.7	30.9	29.4	28.4	30.3	28.7	32.1	29.3
Average age of Repeat buyers	38.5	40.5	38.3	42.4	39.3	39.4	42.9	47.4
Average number of houses looked at	15.3	16.6	13.7	17.3	15.1	11.2	10.8	14.3
Bought new homes	43.8%	43.3%	31.7%	35.0%	31.9%	32.4%	55.7%	47.1%
Bought used homes	56.2	56.7	68.3	65.0	68.1	67.6	44.3	52.9
Bought single family homes	92.2%	95.6%	92.5%	95.1%	91.3%	92.6%	92.3%	90.0%
Bought multi-family homes	1.1	1.1	3.7	2.4	1.3	1.5	1.4	1.4
Bought condominiums	6.7	3.3	3.8	2.5	7.4	5.9	6.3	8.5
Bought co-ops	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Married	75.3%	78.9%	85.1%	84.0%	81.2%	90.6%	76.8%	82.9%
Widowed	1.1	1.9	1.2	1.3	3.0	2.0	1.4	4.3
Divorced/Separated	9.0	8.1	7.5	7.4	5.7	1.5	13.0	8.6
Single	14.6	11.1	6.2	7.3	10.1	5.9	8.8	4.2

N/A—Not available

Home prices were on the rise throughout the region but remained among the lowest in the nation. The Dallas/Fort Worth market started to pull back from the abyss. Memphis bucked a national trend with the median home price rising significantly faster than the average price.

<i>Characteristics</i>	<i>Atlanta</i>		<i>Dallas/ Fort Worth</i>		<i>Memphis</i>		<i>Orlando</i>	
	<i>1989</i>	<i>1988</i>	<i>1989</i>	<i>1988</i>	<i>1989</i>	<i>1988</i>	<i>1989</i>	<i>1988</i>
Two income families	80.6%	77.5%	77.2%	81.7%	89.3%	77.8%	60.4%	57.9%
First time buyers	91.7	87.0	89.9	86.2	95.0	87.5	77.8	92.9
Repeat buyers	78.2	72.9	68.7	77.6	86.1	71.8	51.4	46.5
Down payment as % of sales price	17.5%	19.0%	14.3%	15.4%	15.2%	16.4%	27.0%	27.4%
First time buyers	9.5	11.0	10.4	10.7	11.6	10.4	13.1	10.7
Repeat buyers	21.8	23.1	16.8	18.9	17.8	20.1	35.0	37.6
Type of mortgage financing								
Conventional fixed rate	64.3%	48.3%	79.2%	69.5%	72.7%	70.8%	73.8%	53.4%
Adjustable or variable rate	27.4	44.8	12.5	19.5	19.7	23.1	20.0	36.2
Seller financed or contract loan	2.4	2.3	5.0	4.3	7.6	6.1	3.1	3.4
Other	5.9	4.6	3.3	6.7	N A	N A	3.1	7.0
Average down payment breakdown (% of dollars)								
Of First time buyers								
Own savings and investments	72.8%	74.8%	75.3%	73.0%	75.7%	74.0%	75.8%	68.8%
Lending institutions	3.9	2.0	1.4	1.9	3.6	2.1	4.0	1.9
Relatives	15.2	13.0	6.5	7.4	6.3	8.6	4.4	14.8
Others		10.2	16.8	17.3	14.4	15.3	15.8	14.5
Of Repeat buyers								
Previous home sale	36.6%	47.8%	40.6%	32.3%	46.1%	44.5%	37.8%	40.0%
Own savings and investments	50.6	47.5	52.5	50.9	40.0	48.3	56.6	50.6
Lending institutions	5.7	2.6	0.4	0.6	2.1	1.0	1.2	0.3
Relatives	2.4	1.3	2.2	3.0	2.3	2.7	2.3	1.5
Others		0.8	4.3	13.2	9.5	3.5	2.1	7.6
Average time to save down payment (years)								
First time buyers	2.4	2.1	1.8	2.4	2.1	2.2	2.1	1.4
Average family size	2.8	3.0	3.0	2.8	2.7	3.1	2.8	2.8
First time buyers	2.3	2.9	2.8	2.5	2.2	2.8	2.3	2.9
Repeat buyers	3.0	3.1	3.1	2.9	3.1	3.3	3.0	2.7
Median household income	\$59,000	\$50,400	\$58,500	\$52,700	\$53,300	\$50,900	\$43,500	\$41,400
First time buyers	47,900	42,700	46,300	40,700	38,200	37,500	35,900	34,300
Repeat buyers	65,200	54,600	67,000	60,800	64,600	58,300	48,300	43,600

N A—Not Available



West Census Region 1989

Characteristics	Los Angeles		Orange County		San Francisco	
	1989	1988	1989	1988	1989	1988
Median price of home purchased	\$187,500	\$162,500	\$166,300	\$168,100	\$199,000	\$179,700
First time buyers	179,100	137,500	137,500	147,400	140,200	139,100
Repeat buyers	190,600	174,900	220,000	177,500	227,400	199,600
Average price of home purchased	\$211,000	\$186,300	\$194,600	\$183,200	\$226,800	\$202,700
First time buyers	205,100	156,700	147,700	150,900	181,600	157,100
Repeat buyers	213,300	202,900	231,200	199,900	249,700	220,500
Average monthly payment	\$1,296	\$1,207	\$1,375	\$1,217	\$1,429	\$1,290
First time buyers	1,411	1,100	1,256	1,113	1,243	1,129
Repeat buyers	1,289	1,269	1,469	1,264	1,524	1,282
When household income is:						
less than \$30,000	991	804	1,050	819	863	869
\$30,000-\$40,000	994	928	1,100	900	928	931
\$41,000-\$50,000	954	1,088	1,086	998	1,023	918
\$51,000-\$60,000	1,273	1,108	1,179	1,200	1,318	1,090
\$61,000 or more	1,555	1,430	1,509	1,347	1,758	1,452
Average monthly payment as % of income	36.8%	35.6%	33.0%	32.2%	37.5%	36.3%
First time buyers	38.0	34.0	32.2	35.6	40.6	36.7
Repeat buyers	36.3	36.6	32.6	30.7	35.1	36.1
Buying for the first time	30.0%	36.0%	40.3%	29.5%	33.3%	28.1%
Previously owned a home	70.0	64.0	59.7	70.5	66.7	71.9
Average age of First time buyers	31.0	30.4	29.5	28.1	31.4	32.1
Average age of Repeat buyers	42.1	37.6	37.2	39.4	42.9	38.2
Average number of houses looked at	10.7	15.6	16.6	14.5	13.1	11.9
Bought new homes	19.0%	20.0%	15.7%	26.2%	24.4%	24.7%
Bought used homes	81.0	80.0	84.3	73.8	75.6	75.3
Bought single family homes	76.0%	79.0%	68.4%	75.5%	82.2%	82.0%
Bought multi family homes	1.0	2.0	1.9	5.0	1.1	2.2
Bought condominiums	23.0	19.0	29.7	19.5	16.7	15.8
Bought co-ops	N/A	N/A	N/A	N/A	N/A	N/A
Married	72.0%	74.7%	62.7%	73.8%	72.0%	74.2%
Widowed	1.0	1.0	1.7	3.3	1.0	3.4
Divorced Separated	3.0	7.1	13.2	8.2	3.0	12.4
Single	24.0	17.2	22.4	14.7	24.0	10.1

N/A—Not available

The housing study in this region continues to contrast what's happening in California with what's going on in the other Western states. But the big news in 1989 was Seattle, where the median price rose 15.5 percent and the average price climbed 37.2 percent.

<i>Characteristics</i>	<i>Los Angeles</i>		<i>Orange County</i>		<i>San Francisco</i>	
	<i>1989</i>	<i>1988</i>	<i>1989</i>	<i>1988</i>	<i>1989</i>	<i>1988</i>
Two income families	76.4%	79.7%	83.8%	91.1%	89.7%	87.9%
First time buyers	77.8	80.0	93.3	98.6	87.8	94.7
Repeat buyers	75.9	79.6	77.3	86.7	77.1	85.1
Down payment as % of sales price	27.0%	21.2%	22.4%	23.5%	27.3%	25.5%
First time buyers	16.5	14.2	15.1	10.8	17.3	16.1
Repeat buyers	31.5	25.3	28.4	28.5	32.1	29.3
Type of mortgage financing						
Conventional fixed rate	47.3%	34.3%	41.4%	35.1%	47.7%	29.1%
Adjustable or variable rate	49.5	61.6	55.2	59.6	50.0	67.4
Seller financed or contract loan	2.2	2.0	1.7	1.8	2.3	1.2
Other	1.0	2.1	1.7	3.5	N A	2.3
Average down payment breakdown (% of dollars)						
Of First time buyers						
Own savings and investments	84.7%	80.1%	80.6%	75.6%	68.5%	67.0%
Lending institutions	1.7	1.6	1.4	1.6	5.0	1.1
Relatives	13.6	15.4	9.8	13.9	16.3	22.9
Others	N A	2.9	8.2	8.9	10.2	9.0
Of Repeat buyers						
Previous home sale	39.2%	61.6%	44.9%	59.9%	38.4%	56.6%
Own savings and investments	52.6	29.3	52.2	29.3	56.3	34.3
Lending institutions	4.1	2.2	1.0	1.9	2.3	1.6
Relatives	1.5	5.3	0.8	2.2	2.0	3.3
Others	2.6	1.6	1.1	6.7	1.0	4.2
Average time to save down payment (years)						
First time buyers	4.0	1.8	2.8	2.1	4.0	2.3
Average family size	2.7	3.0	2.5	2.5	2.7	3.1
First time buyers	2.2	2.8	2.2	2.4	2.4	2.8
Repeat buyers	3.0	3.2	2.7	2.6	2.9	3.2
Median household income	\$64,900	\$63,000	\$70,000	\$70,700	\$70,300	\$67,300
First time buyers	52,200	62,200	59,300	57,000	60,600	58,600
Repeat buyers	70,500	64,000	77,700	80,100	75,100	71,100

N A—Not available

<i>Characteristics</i>	<i>Denver</i>		<i>Phoenix</i>		<i>Seattle-Tacoma</i>	
	<i>1989</i>	<i>1988</i>	<i>1989</i>	<i>1988</i>	<i>1989</i>	<i>1988</i>
Median price of home purchased	\$ 91,900	\$ 91,000	\$ 83,300	\$ 87,400	\$ 98,900	\$ 85,600
First time buyers	68,200	75,000	65,000	75,000	85,100	73,800
Repeat buyers	103,800	99,300	120,600	95,000	106,800	93,200
Average price of home purchased	\$102,300	\$105,600	\$124,300	\$105,800	\$122,100	\$ 89,000
First time buyers	75,900	89,400	93,900	81,100	93,500	80,700
Repeat buyers	115,600	112,000	133,700	116,600	135,700	98,100
Average monthly payment	\$ 818	\$ 822	\$ 855	\$ 837	\$ 925	\$ 777
First time buyers	650	675	717	700	798	729
Repeat buyers	897	881	936	906	1,104	798
When household income is:						
less than \$30,000	580	560	586	588	631	666
\$30,000-\$40,000	680	774	642	700	701	719
\$41,000-\$50,000	709	757	846	815	726	719
\$51,000-\$60,000	857	900	975	943	1,044	1,040
\$61,000 or more	1,173	1,133	1,313	1,292	1,249	1,061
Average monthly payment as % of income	30.0%	33.2%	30.3%	29.8%	29.0%	29.1%
First time buyers	29.1	32.5	33.4	34.1	31.9	30.0
Repeat buyers	30.7	33.5	28.5	28.1	26.4	27.9
Buying for the first time	34.4%	28.0%	37.1%	30.0%	34.1%	38.9%
Previously owned a home	65.6	72.0	62.9	70.0	65.9	61.1
Average age of First-time buyers	29.1	30.3	28.8	30.3	31.2	29.5
Average age of Repeat buyers	39.0	36.1	43.1	47.6	39.9	36.4
Average number of houses looked at	14.1	18.5	19.5	16.1	14.7	14.0
Bought new homes	21.9%	29.3%	28.6%	42.1%	27.6%	24.3%
Bought used homes	78.1	70.7	71.4	57.9	72.4	75.7
Bought single family homes	92.6%	90.7%	87.0%	87.1%	94.3%	96.0%
Bought multi-family homes	1.1	1.3	3.0	1.1	1.7	1.3
Bought condominiums	6.3	8.0	10.0	11.8	4.0	2.7
Bought co-ops	N/A	N/A	N/A	N/A	N/A	N/A
Married	71.4%	71.4%	73.9%	68.6%	80.0%	81.4%
Widowed	2.1	2.9	1.4	4.3	2.9	1.8
Divorced Separated	10.9	14.3	13.0	12.9	8.0	5.6
Single	15.6	11.4	11.7	14.2	9.1	11.2

N/A—Not available

<i>Characteristics</i>	<i>Denver</i>		<i>Phoenix</i>		<i>Seattle-Tacoma</i>	
	<i>1989</i>	<i>1988</i>	<i>1989</i>	<i>1988</i>	<i>1989</i>	<i>1988</i>
Two income families	80.0%	72.0%	91.2%	70.8%	72.2%	69.0%
First time buyers	88.9	76.9	95.7	85.7	77.5	80.0
Repeat buyers	75.0	70.3	89.3	64.7	69.9	63.2
Down payment as % of sales price	16.7%	16.9%	16.8%	22.1%	25.4%	15.3%
First time buyers	13.2	11.5	10.9	10.5	15.3	12.3
Repeat buyers	19.3	18.8	20.0	27.1	30.3	18.3
Type of mortgage financing						
Conventional fixed rate	76.1%	71.4%	81.8%	62.9%	59.1%	58.8%
Adjustable or variable rate	9.0	22.9	15.2	24.2	32.0	32.4
Seller financed or contract loan	4.5	1.1	3.0	3.2	5.4	8.8
Other	10.4	4.3	N A	9.7	3.5	N A
Average down payment breakdown (% of dollars)						
Of First time buyers						
Own savings and investments	77.9%	78.8%	82.1%	75.0%	59.5%	68.5%
Lending institutions	2.9	1.0	1.4	1.4	2.6	2.8
Relatives	5.7	9.0	14.8	20.0	24.8	15.5
Others	13.5	11.2	1.7	3.6	13.1	13.2
Of Repeat buyers						
Previous home sale	28.3%	33.1%	37.9%	35.0%	42.2%	35.1%
Own savings and investments	61.5	53.0	53.7	49.7	50.6	54.9
Lending institutions	2.0	1.9	1.1	2.7	2.1	2.5
Relatives	3.1	2.2	2.2	5.9	2.8	4.7
Others	5.1	9.8	5.1	6.7	2.3	2.8
Average time to save down payment (years)						
First-time buyers	2.3	2.1	1.6	2.0	3.0	1.8
Average family size	2.0	3.0	2.9	2.6	2.8	2.9
First-time buyers	2.3	2.4	2.6	2.7	2.5	2.6
Repeat buyers	3.2	3.2	3.1	2.6	3.0	3.1
Median household income	\$47,600	\$45,400	\$43,400	\$45,400	\$48,000	\$43,500
First-time buyers	42,400	43,900	39,600	34,900	42,100	39,800
Repeat buyers	50,200	46,100	45,100	49,800	62,000	46,600

N A—Not available



CHANGING BUYER PROFILES

For the second consecutive year, first-time buyers accounted for a higher percentage of total home sales in 1989. Market share for this segment rose from 37.8 percent in 1988 to 40.2 percent a year later.

The profile that emerges from Chicago Title's 14th annual survey of recent home buyers reveals that first-time buyers were slightly younger in 1989—29.6 years compared with 30.3 years in 1988. The average first-timer shopped 5.2 months and looked at 13.4 houses before making a purchase.

Last year, the median home price for the group rose 8 percent, from \$97,100 to \$105,200, while the average price was rising 12 percent, from \$119,900 to \$133,700. Median income rose 5 percent, from \$48,300 to \$50,700.

The average monthly mortgage payment for first-time buyers last year was \$969, up 4 percent from \$929 in 1988. The mortgage payment as a percentage of family income was 34.1 percent compared with 34.8 percent the previous year.

First-time buyers in 1989 spent an average of 2.9 years saving to make a down payment on a home. The average mortgage length for these buyers was 28.4 years.

In 1989, never-married singles comprised 23.2 percent of the first-time buyer market. Married couples represented only 71.7 percent of the group, and, among these couples, 86.8 percent were two-income families.

As part of a significant shift, the percentage of first-time buyers purchasing newly constructed homes dropped from 23 percent in 1988 to 17 percent last year. At the same time, those buying single-family homes rose from a total of 79 percent in 1988 to 82 percent a year later.

What this tends to suggest is that first-time buyers, in general, were increasingly priced out of the new

home market last year and opted for older, cheaper houses instead.

Among repeat buyers, the median home price rose only 2.3 percent to \$144,700 last year but the average price shot up 9.4 percent to \$176,300. Repeat buyers spent slightly less time (4.3 months) looking for a house than their counterparts did a year ago, and looked at 14.3 houses before buying.

Unlike first-time buyers, repeat buyers as a group were older than their counterparts of a year earlier—39.4 years compared with 38.9 years in 1988. Average family size was unchanged at 3.1 family members.

In 1989, repeat buyers had a median family income of \$64,400. The average monthly mortgage payment for the group was \$1,118, and the monthly mortgage payment was 30.3 percent of household income.

Among repeat buyers, there was a significant shift from adjustable to fixed-rate mortgages. In a year in which rates started high and trended lower for the rest of the year, 61.1 percent of repeat buyers opted for fixed-rate mortgages compared with 50 percent in 1988. The average mortgage length was 27.9 years compared with 27.8 years in 1988.

Historically, repeat buyers have been able to move up the housing ladder by investing the proceeds from the sale of one house into another. That's still happening, but Chicago Title's annual study reveals that repeat buyers also are dipping deeper into personal savings to come up with the larger down payments needed to buy increasingly more expensive housing. In 1989, repeat buyers reported that the percentage of down payment obtained from personal savings was 47.5 percent compared with 38.3 percent in 1988.

Buyer Profile **First-Time Buyers vs. Repeat Buyers**

Characteristics	First-Time Buyer		Repeat Buyer	
	1989	1988	1989	1988
Type of purchase				
New	17%	23%	25%	28%
Resale	83	77	75	72
Single family	82	79	86	86
Condominium	18	21	14	14
Number of homes looked at before purchase	13.4	12.2	14.3	15.5
Average length of time looked for home (months)	5.2	5.0	4.3	4.4
Median cost of home	\$105,200	\$ 97,100	\$144,700	\$141,400
Single family	111,900	96,700	144,900	142,300
Condominium	100,600	104,800	138,500	128,800
Average cost of home	\$133,700	\$119,900	\$176,300	\$161,200
Single family	137,400	118,600	180,600	162,100
Condominium	120,300	124,600	154,300	159,400
% down payment obtained from:				
Savings	78.5%	77.1%	47.5%	38.3%
Relatives	8.8	11.6	2.1	2.6
Other	9.2	8.8	4.6	5.6
Previous home sale	—	—	42.3	51.9
Lending institutions	3.5	2.5	3.5	1.6
% of household income used for mortgage payment	34.1%	34.8%	30.0%	31.4%
Time needed to save down payment (years)	2.9	2.4	—	—
% paid down	15.8%	14.6%	30.3%	29.7%
Average mortgage payment	\$969	\$929	\$1,118	\$1,060
Length of mortgage (years)	28.4	28.5	27.9	27.8
Average age	29.6	30.3	39.4	38.9
Family size	2.4	2.7	3.1	3.1
Children under 18	0.7	0.9	1.1	1.2
Median income	\$50,700	\$48,300	\$64,400	\$59,500
% Married	71.7%	73.7%	79.1%	79.1%
Two incomes	86.8%	85.5%	74.8%	73.3%
Type of financing				
Conventional	61.6%	58.1%	61.1%	50.0%
Adjustable Rate	32.9	34.7	33.2	46.0
Other	5.5	7.2	5.7	4.0



INCOME GAP WIDENS

In a year in which home prices again outpaced inflation, the economic gap between those who buy houses and those who do not continued to widen.

Among those who actually bought houses in metropolitan housing markets surveyed by Chicago Title in 1989, more than half of the repeat buyers and one-third of those buying for the first time had combined family incomes of \$61,000 or more. And almost 60 percent of all buyers had combined family incomes of \$51,000 or more.

As expected, home prices and corresponding income levels varied widely from market to market last year. For example, median family income was higher in the pricey Northeast corridor and California markets and lower elsewhere, ranging between \$71,300 in Washington, D.C., and \$43,200 in Cleveland.

As a further indication of buying strength at the high end of the market, the median home price for buyers earning more than \$60,000 in 1989 rose from \$173,100 to \$179,000. The median price for buyers in all

other income groups actually declined from the previous year. It was \$132,100 for buyers earning between \$51,000 and \$60,000; \$108,600 for those in the \$41,000 to \$50,000 category; and \$84,300 for the \$30,000 to \$40,000 group.

Buyers in the \$61,000 or more earnings category had an average monthly mortgage payment of \$1,373 compared with \$746 for those earning between \$30,000 and \$40,000.

Among couples buying homes in 1989, 79.3 percent of all buyers were two-income families, and this total soared to 86.8 percent for first-time buyers. Thirteen years ago in 1977, the percentage was 53.1 percent for all buyers and 64 percent for first-timers.

In recent years, the greatest surge in the number of two-income couples has been at the high end of the buying scale. In 1988, 81.9 percent of all home buying couples earning more than \$60,000 were two-income families, and this percentage rose to 84.1 percent last year.

1989-1988 Median Home Prices

Family Income	All Buyers		First-Time Buyers		Repeat Buyers		% Two Wage Earners	
	1989	1988	1989	1988	1989	1988	1989	1988
\$30,000-40,000	\$ 84,300	\$ 88,400	\$ 78,200	\$ 82,500	\$ 88,800	\$ 97,300	70.0%	76.2%
\$41,000-50,000	108,600	109,100	97,400	100,100	115,000	120,500	83.0	78.4
\$51,000-60,000	132,100	137,300	130,100	114,200	133,300	148,900	77.8	79.8
\$60,000 or more	179,000	173,100	159,600	148,500	196,300	185,300	84.1	81.9

Distribution of Household Income Among Home Buyers Surveyed by Chicago Title (in major metropolitan markets)

Family Income	All Buyers				First-Time Buyers				Repeat Buyers			
	1989	1988	1987	1986	1989	1988	1987	1986	1989	1988	1987	1986
Less Than \$30,000	11.2%	13.3%	19.2%	20.3%	15.0%	18.3%	28.6%	29.9%	8.7%	10.2%	13.7%	14.7%
\$30,000-40,000	14.6	17.6	19.1	18.1	18.9	21.8	23.0	22.7	11.7	14.9	16.3	15.4
\$41,000-50,000	15.1	20.9	19.6	17.6	17.5	22.6	18.6	23.2	13.3	19.7	19.8	14.3
\$51,000-60,000	13.8	15.5	13.9	15.0	14.6	15.4	14.3	9.2	13.2	15.6	14.0	18.3
\$61,000 or more	45.3	32.7	28.2	29.0	34.0	21.9	15.5	15.0	53.1	39.6	36.2	37.3

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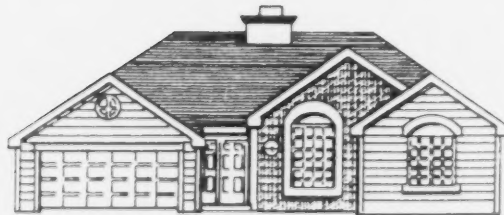
NATIONAL STUDY DOCUMENTS CHANGE

Chicago Title's annual survey of recent home buyers is a telephone survey conducted for the company by an independent national research organization. It is the only national survey of its kind that includes samples for all types of home sales throughout the year, including cash and contract sales.

In 1989, the national study surveyed buyers in leading metropolitan housing markets. More than 1,500 interviews were completed in 18 representative markets, including New York City, Boston, Philadelphia and Washington, D.C., in the Northeast corridor; Atlanta, Orlando, Fla., Dallas-Fort Worth and Memphis, Tenn., in the South; Chicago, Cleveland, Detroit and Minneapolis in the Midwest; and Los Angeles, Orange County, Calif., San Francisco, Seattle-Tacoma, Phoenix, Ariz., and Denver in the West.

Over the years, the Chicago Title study has statistically documented the changes that have impacted housing costs and buyer profiles in good and bad economic times. In 1976, the study's base year, the median home price nationally was \$43,340, and the median income was \$20,840. The average monthly mortgage payment was \$329, and the monthly mortgage payment as a percentage of household income was 24 percent. First-time buyers comprised 44.8 percent of the market.

Statistics compiled 14 years later reveal how dramatically housing trends have changed since then.





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